BY ORDER OF THE
SECRETARY OF THE AIR FORCE

AIR FORCE INSTRUCTION 21-102

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Maintenance

DEPOT MAINTENANCE MANAGEMENT

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

OPR: HQ USAF/LGMM (Mr Ed Koenig)
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This instruction implements AFPD 21-1, Managing Aerospace Equipment Maintenance , and Department of Defense (DoD) Directive 4151.18, Maintenance of Military Materiel , August 12, 1992. It provides guidance and procedures for the management of Air Force depot maintenance activities. It directs Air Force Materiel Command (AFMC) to develop and maintain a depot maintenance support programming system for depot maintenance planning during peacetime, periods of increased tension and emergencies. It states policies for business planning, workload source determinations and organic manufacturing. Attachment 1 is a glossary of references, abbreviations, acronyms, and terms.

SUMMARY OF REVISIONS

This revision aligns the instruction with AFPD 21-1 and guidance pertaining to depot maintenance activities contained in DoD Directive 4151.18. It rescinds reporting requirements of RCS: HAF-LGM(SA)8901, Electronic Countermeasures (ECM) POD and Support Equipment Report.

Chapter 1

RESPONSIBILITIES

1.1. HQ USAF Responsibilities:

1.1.1. HQ USAF/LGM:

- Provides overall program policy and guidance.
- Oversees supporting organizations' execution of Air Force policy as detailed in this instruction and AFPD 21-1.
- Coordinates program actions and recommendations which require HQ USAF approval.
- Coordinates with HQ AFMC to resolve specific program problems.
- Reviews, coordinates, approves and forwards to CSAF for final approval the required documents as outlined in attachment 3 of this instruction.
- Ensures that a copy of all country-to-country documents concerning the assignment of depot maintenance workloads is provided to the workload focal point in AFMC.

1.1.2. HQ USAF/LGM and HQ USAF/LGS jointly review financial planning, validate budget estimates, and justify maintenance requirements to higher levels.

1.1.3. HQ USAF/LGMM and HQ USAF/LGXX(LRC) evaluate and respond to all requests for waivers from reporting according to AFMAN 10-206, *Reporting Instructions* .

1.2. HQ AFMC Responsibilities:

1.2.1. HQ AFMC:

- Ensures successful management and execution of a comprehensive depot maintenance program for all Air Force managed equipment in accordance with existing Air Force guidance detailed in AFPD 21-1 and this instruction.
- Develops the most responsive and economical mix of depot support for items acquired by the Air Force. Ensures development and retention of a core capability during peacetime which can respond readily to the Air Force's wartime mobilization (surge) needs by maximizing repair and supply of serviceable assets to forces engaged in combat or contingency actions.
- Develops and maintains a methodology for assessing organic depot maintenance minimum level requirements and making depot maintenance source of repair (SOR) determinations in accordance with criteria established by DoD Directive 4151.18 and this instruction.
- Develops financial planning and prepares budgets for depot maintenance programs. Maintains an on-going productivity and work specification program in conjunction with reviews and maintenance of labor standards to ensure performance to budget.
- Manages a program to acquire modern depot facilities and equipment, including new technologies, production enhancements, and development of consolidated support facilities essential to meet logistics support needs of the Air Force.
- Develops and maintains a surge contingency plan. This plan contains guidance and procedures for a highly responsive capability to accelerate, surge, or compress depot level mainte-

nance or modifications accomplished on mission-essential materiel. Provides one copy of this guidance to HQ USAF/LGMM and LGXX(LRC).

- Develop command procedures to review, approve/disapprove aircraft surge requests (acceleration or compression) and prioritize or make required allocation decisions when multiple requests compete for the same depot resources. Manpower and cost issues associated with each aircraft surge request and beyond AFMC control, will be forwarded to HQ USAF/LG.

1.2.2. HQ AFMC and the assigned ALC establish a comprehensive depot maintenance program for all new system acquisitions. This program addresses logistics management for the life of the system to include both the ultimate maintenance concept and any required interim support arrangements.

1.3. Operating Commands and Separate Operating Activities Responsibilities:

- Provide facilities and support for organizations performing depot maintenance at operating locations.
- Recommend changes to be included in publications and technical orders regarding depot maintenance.
- As required to meet wartime commitments:
- Coordinates with HQ AFMC battle staff to control or curtail input of aircraft to depot facilities and to depot level field teams during periods of increased tension.
- Advises HQ AFMC battle staff or AFMC/LG (when battle staff not operating) and the respective SPD of desired depot support actions.
- Submits acceleration and/or compression requests as additional wartime aircraft requirements become known. Ensures that each request identifies the aircraft by MDS and that the request warrants the incumbent cost and schedule impacts associated with acceleration or compression. Requests compression or acceleration by specific tail number only when the aircraft possesses a unique configuration or mission capability required to meet requirements of the scenario.
- Utilizes the latest Aircraft and Missile Maintenance Production Compression Report (GO39--AMREP) as a guide for estimating acceleration/compression time estimates.
- Provides flight crews for the return of assigned aircraft upon release by the depot facility.
- Furnishes HQ AFMC information required to perform functions outlined in paragraph 1.2.
- Assists AFMC in developing optimum aircraft surge compression specifications.

Chapter 2

BUSINESS PLANNING

2.1. Business Planning Process (BPP). Depot maintenance activation planning initiates the BPP for systems during their developmental stage. The BPP utilizes decision logic criteria to identify SOR assignments as the materiel enters the inventory. SOR assignments may change during the life cycle to meet updated mission scenarios.

2.1.1. Business planners use management systems to determine the minimum level of organic depot maintenance capability (defined as "core") required to ensure effective and timely response to a mobilization, national defense contingency situation, or other emergency requirements. Supporting ALCs accomplish intensive preplanning to ensure an immediate capability to change the peacetime mix of work and respond to a sudden need for increased output of reparables. The BPP focuses on accomplishing high surge workloads under organic command and control in an emergency, contingency, or mobilization situation. Business planners respond to the dynamic nature of the weapon system population.

2.1.2. The HQ AFMC Business Board (BB) develops and maintains a structured process for determining the repair source for depot maintenance workloads, workload groupings, and technology areas. The BB also uses the policies and guidelines provided in this regulation to achieve a balance of military necessity, economy, and effectiveness. The BB develops, submits, and updates the Annual Corporate Business Plan as specified in attachment 3 of this instruction. The plan provides an assessment of current workload, criteria for planning, and long range objectives for each organic repair source.

2.1.3. Use the business plan and business planning process in conjunction with Decision Tree Analysis (DTA) and Depot Maintenance Interservice Studies (DMIS) to assign new and to re-plan existing workloads, workload groupings, and technology areas among organic, interservice, and contractual repair sources.

2.2. Depot Maintenance Activation Planning:

2.2.1. Supporting ALCs develop a depot maintenance program, required and defined by DoD Instruction 5000.2, *Defense Acquisition Management Policies and Procedures,* to support the operational concept of every new system developed and acquired by the Air Force.

2.2.2. HQ AFMC works with the using and training commands to define the depot support requirements for each system. When source of repair decisions call for an organic depot, the single managers and assigned ALCs work to establish organic capability no later than initial operational capability (IOC). HQ AFMC, along with the ALCs and single managers, define operational requirements of the organic depot prior to the system entering full scale development. HQ AFMC uses post-production support planning to identify requirements related to the transition of those activities or functions performed by the weapon system contractor to be assumed by the government after cessation of production.

2.2.3. HQ AFMC and the operating commands refine the program plan and track execution of the depot support investment program as the acquisition program matures.

2.2.4. HQ USAF/LGS resolves programming differences between HQ AFMC and the operating commands, forwarding budgeting differences to SAF/FMB.

2.2.5. HQ AFMC and the ALCs develop and periodically review work specifications using AFMAN 64-108, *Service Contracts* (formerly AFR 400-28, volume I) as a guide.

Chapter 3

SOURCES OF REPAIR (SOR)

3.1. SOR Assignment Philosophy:

3.1.1. The Air Force obtains depot maintenance from two basic sources: organic DoD facilities and private sector contractors. An ALC is designated for each system, subsystem, or item as the responsible agent to manage its entire depot maintenance workload, regardless of the source(s) of repair employed.

3.1.2. The HQ AFMC Business Board validates repair sources based on a balance of necessity and the availability of resources. Factors considered include the priority of the workload, low surge versus high surge wartime requirements, the nature of the projected wartime environment, criticality of the repair technology, and relative cost of performance. Optimum peacetime depot maintenance provides timely and responsive support for projected surge and wartime workloads while attaining maximum peacetime efficiency and effectiveness. Projected surge and wartime depot maintenance requirements include explicit consideration of resources deployed due to wartime tasking (including Aircraft Battle Damage Repair Teams, Combat Logistics Support Squadrons, Depot Field Teams, and Contractor Field Teams). Attachment 2 details the decision logic process used for organic or contract depot maintenance SOR determinations.

3.1.2.1. The HQ AFMC BB conducts reviews to determine the optimum number and location(s) for new workload sources of repair. Major weapon systems, technologies, and critical components may require multiple repair sources.

3.2. Business Planning Considerations and Guidance:

3.2.1. The Air Force develops or retains peacetime organic depot maintenance capability and capacity in accordance with DoD Instruction 4100.33, *Commercial Activities Program Procedures,* September 9, 1985, and DoD Instruction 4151.18. AFMC uses organic capability to accomplish a combination of high, medium, and low surge workloads, generated by the most demanding wartime scenario in the Defense Program Guidance (DPG) and articulated in the Air Force War and Mobilization Plan (WMP), Volumes IV and V. AFMC modifies as necessary source of repair decisions for multiple repair sources or an overriding interservice decision. The HQ AFMC BB weighs any adverse impact of accomplishing a given workload overseas on the continental United States (CONUS) industrial base against potential gains in readiness from in-theater planning. The ALCs accomplish high surge workloads organically, as a general rule. To achieve balance, HQ AFMC assigns ALCs complimentary high volume peace time workloads requiring a similar technology or skill requirement as assigned high surge missions, but having no or low surge during times of war Accomplishing this type of workload organically ensures support for high priority missions in peacetime while providing experienced, skilled resources that can be used to accomplish surging workloads during war. AFMC uses contract sources and interservice support to selectively augment this organic capability.

3.2.2. AFMC planners consider new weapon system design and repair technologies in establishing an organic capability. The Air Force logistics system must accommodate state-of-the-art technology inherent in emerging weapon systems. AFMC Centers continually prototype and integrate promising technological repair process developments to enhance the capabilities, productivity and cost competitiveness of the organic depots.

3.2.3. The HQ AFMC Business Board sizes the Air Force's organic depot maintenance capability to accomplish workload requirements with a peacetime loading of 100 percent, on a 40 hour week, one shift basis as defined in DoD 4151.18-H, *Depot Maintenance Production Shop Capacity Measurement Handbook,* July 1976. The ALCs limit individual shop utilization to a maximum of 250 percent of physical capacity for mobilization when a shop is susceptible to high surge workloads, or excessive capital investment costs for surge capability. The organic depots consider increasing peacetime physical capacity and lowering shop utilization when mobilization surge increases workload past 250 percent of physical capacity.

3.2.4. AFMC organizations use Contractor Logistics Support (CLS) in accordance with AFI 63-111, *Instruction for Contractor Support for Systems and Equipment,* to augment organic depot capability. CLS performs many functions normally accomplished by an organic support activity, including item management, supply, distribution, repair, depot maintenance, operating command organizational and intermediate levels of maintenance as negotiated, and many other operations and maintenance tasks. CLS principally supports depot field teams, low surge workloads, small workloads, commercial off-the-shelf items, and short life cycles or rapid obsolescence items. Consider use of CLS for high-surge workloads that either involve unique processes, for capabilities that cannot be established organically at reasonable cost or other factors that clearly establish CLS to be in the best interest of the Air Force by virtue of lower costs and/or increased readiness.

3.2.5. The Air Force may utilize Pre-operational support (POS) or Interim Contractor Support (ICS) for depot maintenance support prior to establishing an organic depot maintenance capability in accordance with AFI 63-111. POS and ICS provide contractor support during acquisition or modification of a system, equipment, and item. POS supports the Test and Evaluation (T&E) efforts. ICS supports an initial period of operation to the Required Assets Availability (RAA) date when all the organic support elements are in place. Accomplish extensive preplanning on order to limit ICS to the minimum period necessary to bridge the transition to depot support.

3.3. Depot Maintenance Interservice Support Agreements (DMISA):

3.3.1. Use DMISAs primarily to repair items used or procured for two or more Services. Use interservicing primarily when a common repair technology applies to dissimilar systems and/or a single service is deemed an acceptable support arrangement.

3.3.2. The Air Force uses an extensive system of interservice support agreements. HQ AFMC/LGP manages the interservice aspects of depot maintenance in cooperation with the other services. AFMC/LGP establishes criteria for interservicing of specific items and resolution of interservice disagreements. HQ AFMC/LGP and single managers incorporate depot maintenance considerations in a Joint Support Plan.

3.3.3. The Air Force seeks to achieve the maximum practical use of interservice support without impairing the military mission. HQ AFMC/LGP makes interservice workload assignments which optimize existing DoD capabilities and minimize capital investment requirements without impairing wartime readiness. USAF uses the work specifications of the other services for interservice support as long as they satisfy basic Air Force requirements. If they do not, then the DMISA states the additional USAF requirements. For example, the DMISA must require the same relative priority for workload accomplishment that is provided organically by a USAF depot in both peace and war. DoD Instruction 4000.19, *Interservice, Interdepartmental and Interagency Support,* April 15, 1992, states the basic policy and principles for interservice and interdepartmental logistics support.

3.4. Overseas Workload:

3.4.1. HQ AFMC uses the Overseas Workload Program (OWLP) to accomplish selected overseas workloads to enhance readiness and sustainability of theater operating forces and/or significantly reduce costs. Select sites for core maintenance workload based on readiness requirements. Compete above-core workloads in accordance with existing Federal Acquisition Regulations, public law and international agreements. If necessary to restrict a competed workload to CONUS repair sources, fully justify the limitation by preparing and obtaining approval of a Justification and Approval (J&A). Base such restrictions only on military necessity, such as the need to maintain a domestic repair capability, ensure non impairment of essential (i.e., core) CONUS repair capability for the item, or other compelling reasons. HQ AFMC BB and the single managers also determine if there will be a measurable improvement in logistics supportability and/or support costs to offset any capital expenditures or other costs of establishing the overseas repair site as part of their analysis. For all overseas workloads, the supporting organization obtains the appropriate Foreign Disclosure releasability as required by AFPD 16-2, *Foreign Disclosure of Classified and Unclassified Military Information to Foreign Governments and Military Organizations,* and AFI 16-201.

3.4.2. The supporting organizations decide if overseas repair sources will be utilized to support core workload. Supporting organizations also develop and use rationale for comparing contract versus organic overseas capability to determine if those workloads can best be accomplished at organic, contract or interservice facilities - or a combination thereof.

3.4.3. HQ AFMC maintains a minimum CONUS repair source for each item it supports, unless specifically authorized by HQ USAF/LGM. HQ AFMC BB and the single manager must ensure that any reduced capacity can handle the entire worldwide requirement in the event the overseas SOR is interrupted.

3.4.4. Development of dual sources of repair in-theater requires prior approval of the CSAF. The backup SOR for all overseas workload programs is the CONUS SOR. The CSAF approves establishment of a new overseas organic depot maintenance facility or major expansion of an existing overseas depot maintenance facility.

3.4.5. HQ AFMC must specifically address retention of excess organic overseas capacity in the annual business plan, submitted as required by attachment 3.

3.4.6. Workloads Originating in the United States:

3.4.6.1. Where essential to support mission requirements, HQ AFMC BB and the single manager develop specific justification criteria for restricting the accomplishment of workloads originating in the US to CONUS repair sites, per FAR procedures referenced in paragraph 3.4.1. When the quantity of workload under consideration exceeds that required during mobilization surge conditions, consider an overseas contract for the excess.

3.4.6.2. Determine whether the US workload should be restricted to CONUS accomplishment before issuing any requests for proposal.

3.4.7. Workloads Originating Overseas:

3.4.7.1. HQ AFMC BB and the single managers select core items for overseas repair. Theater operational commands assist HQ AFMC by recommending specific items for in-theater repair.

Give priority to the identification of workloads with greatest payoff for readiness and economic benefits through the establishment of in-theater depot repair capabilities. Target items causing chronic not mission capable for supply (NMCS) conditions or those subject to significant pipeline reductions. Compete contract workloads on a scheduled cycle unless SAF/AQ grants specific approval for a sole source.

3.4.7.2. If no satisfactory repair source is available within the theater where the workload generates, determine if mission requirements restrict the area of performance to CONUS or Canada. Where not restricted, compete those workloads under existing FARs and international agreements. To reduce pipeline time, consider shipping workload accomplished overseas directly to and from the theater of origination and the SOR.

Chapter 4

DEPOT MAINTENANCE PRODUCTIVITY

4.1. Depot Maintenance Business Area (DMBA). HQ AFMC finances and fiscally manages depot maintenance through the DMBA. The cost visibility provided through this accounting mechanism allows AFMC to determine the effects of productivity enhancements on depot maintenance operations. Organic depots operate on a direct appropriation basis and report overall productivity measures through command and activity channels.

4.2. Managing Depot Manpower. AFMC/FM manages depot maintenance workloads on a financial basis and stabilizes sales rates each fiscal year for organic work performed. AFMC depot maintenance activities use an extensive system of labor standards to define and cost out each specific workload. These job labor standards serve as the basis for aggregated manpower standards covering the direct labor population. The depot maintenance industrial engineering function maintains an ongoing productivity and work simplification program in conjunction with the review and maintenance of the labor standards. This program includes those processes covered by the Functional Review process within the Management Engineering Program AFPAM 38-208, *Air Force Management Engineering Program* (formerly AFR 25-5) for those activities that do not have their own internal industrial engineering capability. Studies in the direct labor area by management engineering personnel include general evaluation of efficiency factors, indirect labor factors, placement of industrial engineers, and conditions which influence adjustments to labor standards. Management Engineering Program personnel perform detailed functional reviews of the staff support and production support areas of depot maintenance.

Chapter 5

DEPOT MANUFACTURE

5.1. Authorization for Use. The Air Logistics Centers (ALC) possess an inherent manufacturing capability as part of their routine depot maintenance capability, as well as for support of peace and wartime surge requirements. "Depot manufacture" specifically includes all forms of organic manufacturing accomplished at an ALC, including local manufacturing. The ALCs depot manufacture items for immediate needs, and items for stock when a commercial source is not available or is unacceptable. The ALCs use depot manufacturing capability when:

- A commercial source cannot provide the needed product. ALC item managers document all efforts made to obtain qualified commercial sources.
- Commercial sources cannot meet quality or delivery requirements and no new commercial sources are known to exist. ALCs base this determination on contract negotiations or delivery requirements.
- Lack of support will cause mission support deficiencies such as excessive not-mission-capable rates, production work stoppage, cannibalization, or rob-back. ALC item managers periodically review lack of support issues to ascertain any change of status that allows for commercial procurement of the item.
- Technical data owned by the government is not adequate to conduct a competitive procurement. ALC buying activities document that the sole-source manufacturer declines to manufacture the item. The depot may, at the expense of the buying activity, reverse engineer or redesign the requirement to produce both an adequate data package for re-competition and the minimum essential quantity (MEQ) required prior to delivery subsequent to such competition.
- There is no response to a sole source (other than full and open competition) or a full and open competition solicitation. Buying activities solicit AFMC's depots for interest in manufacturing items under this circumstance. This situation also applies when the buying activity resides in another DoD agency. Item managers continue to search for a satisfactory commercial source in all cases.

5.2. Quantities Authorized. Under the above outlined conditions and circumstances, the organic depots may manufacture sufficient quantities of stock. Item managers normally order sufficient quantities to fill outstanding backorders plus the annual buy quantity for worldwide requirements. The quantity ordered from depot manufacture should not be greater than the total expected peacetime consumption. The organic depots establish special management review procedures for items which exceed these limits and obtain these items through the procurement process when another source becomes available. The ALCs re-evaluate subsequent requirements for the same items to ascertain any change of status that would allow for procurement of the item.

5.3. DoD Policy Guidance. Previous Congressional legislation authorized the Services to compete for the production of components. DoD Directive 4151.18 implements this authority by recognizing manufacturing as a maintenance discipline subject to competition between public and private entities. Office of Management and Budget (OMB) Circular A-76, *Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government,* does not apply to manufacturing workloads competed under the guidelines of current legislation. However, manufacturing conducted outside of formal compe-

tition continues to adhere to OMB Circular A-76 procedures. Organic depots may also directly compete with commercial sources to depot manufacture items for stock , subject to the following restrictions:

- ALCs may bid on most procurements for which they possess adequate capability and technical qualifications. The ALCs bid only when there are less than five private sector competitors. An ALC does not bid on a competitive manufacturing workload with an estimated value of $25,000 and below.
- Depots cannot bid in any manufacturing procurement designated as either a small business set-aside or a small disadvantaged business set-aside. Depots must also withdraw from any competition subsequently (though not initially) designated to be a set-aside procurement. This restriction does not prevent AFMC from competing in "mixed" procurements where both small and large commercial businesses compete for manufacture of an item.
- Previous congressional legislation permits ALCs to subcontract to a DoD prime contractor. However, because of the extraordinary potential for disruption to the relationship between the prime contractor, and the DoD, the organic depots do not pursue subcontracting workloads.

5.4. Source Coding for Manufacture. The ALCs manufacture items source-coded (M) under the Source, Maintenance and Recoverability (SMR) coding format. Normally, quantities ordered for M-coded items are fewer than or equal to the current quarter's worldwide buy quantity. The ALCs establish management review methods for items exceeding this quantity limit and periodically review M-coded items for possible source-code change to procurable.

5.5. Organic Manufacturing Capacity. Where feasible, organic depots accomplish manufacturing workloads using existing equipment, facilities, skills, and capacity. ALCs fully justify required new or expanded manufacturing capabilities.

5.5.1. The ALC provides a feasibility study to document alternatives before establishing new or duplicate organic manufacturing capabilities at the depot. This study requirement applies to repair and modification capabilities as well as manufacturing capabilities. The ALC manufacturing organization completes this research prior to submitting equipment requirements to the Capital Purchase Program (CPP).

5.5.2. Purchasing depot equipment costing $15,000 or more (including equipment utilized for local manufacturing) constitutes a capital investment in organic capacity. All capital investment purchases must be fully documented and justified with an approved workload in accordance with provisions of the AFMC equipment review program. The ALCs review and approve equipment acquisitions cited in their HQ AFMC approved equipment program with a value of $500,000 and under. HQ AFMC/LGPE reviews and approves acquisitions between $500,000 and $1,000,000.

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Attachment 1

GLOSSARY OF REFERENCES, ABBREVIATIONS, ACRONYMS, AND TERMS

References

AFMAN 10-206, *Reporting Instructions*

AFPD 16-2, *Foreign Disclosure of Classified and Unclassified Military Information to Foreign Governments and International Organizations*

AFI 16-201, *Foreign Disclosure of Classified and Unclassified Military Information to Foreign Governments and International Organizations*

AFPD 21-1, *Managing Aerospace Equipment Maintenance*

AFR 25-5, *Air Force Management Engineering Program*

AFI 63-111, *Instructions for Contract Support for Systems and Equipment*

AFMAN 64-108, *Service Contracts*

AFR 66-3, *Acceleration or Compression of Depot Level Maintenance During Emergencies*

AFR 66-7, *Depot Maintenance Posture Planning and Workload Management*

DoD Directive 4151.18, *Maintenance of Military Materiel*

DoD 4151.18-H, *Depot Maintenance Production Shop Capacity Measurement Handbook*

DoD Instruction 4000.19, *Interservice, Interdepartmental and Interagency Support*

DoD Instruction 4100.33, *Commercial Activities Program Procedures*

DoDI 5000.2, *Defense Acquisition Management Policies and Procedures*

OMB Circular A-76, *Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government*

Abbreviations and Acronyms

AGMC—Aerospace Guidance and Metrology Center

ALC—Air Logistics Center

AMARC—Aerospace Maintenance and Regeneration Center

AMREP—Aircraft & Missile Maintenance Production Compression Report

BB—Business Board

BPP—Business Planning Process

CFT—Contract Field Team

CLS—Contract Logistics Support

CONUS—Continental United States

CPP—Capital Purchase Program

CSAF—Chief of Staff of the Air Force

DMBA—Depot Maintenance Business Area

DMBP—Depot Maintenance Business Planning

DMIS—Depot Maintenance Interservice Studies

DMISA—Depot Maintenance Interservice Support Agreement

DoD—Department of Defense

DPG—Defense Program Guidance

DTA—Decision Tree Analysis

DT&E—Developmental Test & Evaluation

ICS—Interim Contractor Support

ILS—Integrated Logistics Support

IOC—Initial Operating Capability

IWSM—Integrated Weapon System Management

JCS—Joint Chiefs of Staff

JDMAG—Joint Depot Maintenance Analysis Group

LIFT—Logistics Improvement of Facilities & Technology

MDS—Mission Design Series

MEQ—Mission Essential Quantity

NMCS—Not Mission Capable for Supply

OWLP—Overseas Workload Program

OT&E—Operational Test & Evaluation

PDM—Programmed Depot Maintenance

PEC—Program Element Code

PMD—Program Management Directive

POM—Program Objective Memorandum

POS—Pre-operational Support

RAA—Required Assets Availability

RCS—Report Control Symbol

S&DB—Small & Disadvantaged Business

SMR—Source, Maintenance and Recoverability

SOR—Source of Repair

SORDC—Source of Repair Decision Criteria

SPD—System Program Director

SPM—System Program Manager

T&E—Test & Evaluation

TRC—Technology Repair Center

WMP-1—War Mobilization Plan

Terms

Acceleration—Maximum production required for certain designated missionessential materiel undergoing depot level maintenance or modification. Maximize production and preparedness by:

- Suspending routine peacetime aircraft inputs to depot maintenance facilities.
- Extending the workday and workweek to a 24-hour-a-day; 7-day-a-week operation.
- Realigning the work stations and redistributing the labor force as required.
- Cannibalizing as necessary to complete the essential maintenance or modification. requirements on the maximum amount of materiel.

Aircraft—All air vehicles in the AF inventory except missiles. Components for missiles surge as exchangeables.

Analytical Overhaul—The disassembly, inspection, engineering evaluation, repair, assembly and test of military materiel to refine requirements for spares and repair parts, maintenance technical criteria, tooling, test equipment and technical data, as well as to find any need for product improvement.

Business Board (BB)—HQ AFMC personnel responsible for depot maintenance business planning. Membership includes personnel from each ALC/FMP, AGMC/FMP, plus HQ AFMC/LGP.

Business Planning Process (BPP)—The process HQ AFMC and the ALCs use to develop depot support for each network, system, or item acquired by the Air Force. This is a structured process for determining repair sources for depot maintenance workloads , workload groups, and technology areas. Business planners assimilate that support into the command's overall depot support environment.

Commercial Activity (CA)—An activity operated and managed by a Department of Defense (DoD) component that provides a product or service obtainable from a private, commercial source. A DoD CA is an organization or type of work, but shall be separable from other functions to be suitable for performance either inhouse or by contract. A DoD CA is a regularly needed activity of an operational nature, not a one time activity of short duration associated with support of a particular project.

Compression—Includes the same procedures as acceleration as well as:

- Suspending routine peacetime work specifications.
- Reassembling the air vehicle after accomplishing only the absolute minimum maintenance essential to the safety of flight, and only those modifications essential to the weapon's war mission configuration.

Compression Work Package—The minimum maintenance or modification requirement necessary to render an aircraft effective in its assigned war mission. Normally, ALCs use the compression mode only for production aircraft.

Contractor Logistics Support (CLS)—A preplanned contractor support method used to provide all or

part of the ILS elements for a system, equipment, or item for long periods of time or until retirement.

Contract Maintenance—The maintenance of materiel performed under contract by commercial organizations (including prime contractors) on a onetime or continuing basis, without distinction as to the level of maintenance accomplished.

Conversion—The transfer of an existing depot maintenance workload from organic to contract or interservice accomplishment (Definition for the purposes of this regulation only).

Core Capability—Skills and resources maintained within repair depots to meet contingency requirements. Core comprises a minimum level of missionessential capability either under the control of the individual Department of Defense (DoD) component or a consolidated capability under the control of a jointly determined DoD component where economic and/or strategic considerations warrant.

Core Logistics—The organic resources required to manage and operate the inventory management, depot maintenance, distribution, and data automation processes required to support the combat forces of the United States and its allies in military contingencies.

Critical Technology—A stateoftheart workload or repair process which requires the establishment of a new repair capability or significant modification to an existing capability.

Depot Maintenance—Maintenance performed on material requiring overhauling or rebuilding parts, assemblies, subassemblies, and end items. Depot maintenance operations include manufacture of parts, modifications, testing, and reclamation. Depot maintenance supports baselevel technicians by providing technical assistance and performing any repairs beyond their responsibility. Depot maintenance also stocks serviceable equipment because it has more extensive repair facilities than those available elsewhere (e.g., at base level). Depot maintenance includes all forms of software maintenance.

Depot Maintenance Activity—A plant designated by the Department of Defense to perform depot level maintenance on weapon systems, equipment, and components.

Depot Maintenance Business Planning (DMBP)—A structured process for determining which depot maintenance workloads, workload groupings, and technology areas should be accomplished at which repair sources. The process balances military necessity, economy, and effectiveness.

Depot Maintenance Capability—The aggregation of all resources required to perform depot maintenance. These resources include facilities, skilled personnel, tools, test equipment, drawings, technical publications, ongoing training, maintenance personnel, engineering support and spare parts.

Depot Maintenance Workload—A specific depot repair requirement for a specific repairable item. Expressed in terms of aggregated item workloads to depict the magnitude of processes, activities, or end items. Units of measure include manhours, work years, costs, and sales prices.

Exchangeables - Recoverable components which may be economically repaired and reused multiple times (examples include avionics, airframe components, communications electronics, landing gear, etc.).

General War—Armed conflict between major powers employing the total resources of the belligerents and which jeopardizes the national survival of a major belligerent.

HighSurge Workload—Organically accomplished workload which requires additional workers to accomplish its wartime tasking level. Augmentation of this workload accomplished through transfer of workers from no or lowsurge workloads, new hires, or Air Force Reserve personnel. Depot activities use management and simulation systems to peacetime plan the actions to be taken after M Day, ensuring the

availability of trained manpower resources. The percent of surge that qualifies workloads as high surge varies each year depending upon the peacetime overtime percentage, the number of personnel projected recalled in war from the depots to military duty, and the probable number of new hires. AFMC computes the percentage provided each year for business planning purposes. The percent of surge that differentiates highsurge from mediumsurge is normally close to an increase of 60 percent or greater of the peacetime level. AFMC activities preplan mobilization actions in detail, using standard management information and simulation systems to identify potential problems. Activities ensure sufficient facilities, equipment, and skills for flexibility and capability to respond to the changing peace to war mix of work.

Increased Tension—Period of military buildup short of armed conflict.

Integrated Weapon System Management (IWSM)—The AFMC management philosophy for acquiring, evolving, and sustaining Air Force weapons systems and their associated components. The IWSM concept empowers a single manager with authority over the widest range of decisions and resources to satisfy customer requirements throughout the life cycle of the weapon system "product".

Interim Contractor Support (ICS)—A preplanned, temporary contractor support method to provide all or part of the ILS elements for a system, equipment, or item for an initial period of operation. Period of implementation normally extends from first production article delivery to the Required Assets Availability (RAA) date. The RAA date begins a trial period of the operation and support capability before IOC.

Interservice Maintenance Support—Recurring or nonrecurring maintenance, performed by the organic capability of one Military Service or element thereof in support of another Military Service or element thereof.

Major End Item—A final combination of assemblies, components, parts and materials that performs a major, complete operational function and needs no further augmentation to make ready for its intended use.

Major Weapon System—One of a limited number of systems or subsystems which, for reasons of military urgency, criticality, or resource requirements, is determined by the Department of Defense as being vital to the national interest.

Materiel—Items (including ships, tanks, selfpropelled weapons, aircraft, etc., and related spares, repair parts, and support equipment, but excluding real property, installations, and utilities, except intercontinental ballistic missiles) necessary to equip, operate, maintain, and support military activities.

MediumSurge Workload—Mediumsurge workloads are in the range of 30 percent to approximately 60 percent greater than the peacetime load. Work is accomplished in wartime by the peacetime work force through leave curtailment, reduction of indirect labor, and overtime requirements. The expanded capability of the peacetime work force is largely required to accomplish these workloads in wartime; thus, mediumsurge workloads do not serve as a significant source of wartime secondary skills.

Minimum Level—Minimum peacetime continental United States organic depot maintenance capability and capacity that is consistent with the most demanding wartime scenario as presented in the current Defense Guidance and articulated in the Air Force War and Mobilization Plan. This capacity provides peacetime base line capabilities (that is, facilities, equipment, and manpower) that can be expanded to accomplish wartime and high surge depot maintenance requirements.

Mission Essential Materiel—Materiel authorized and available to combat, combat support, combat service support, and combat readiness training forces to accomplish assigned missions. For the purpose of

sizing organic industrial facilities, that Servicedesignated materiel authorized to combat, combat support, combat service support, and combat readiness and training forces and activities, including Reserve and National Guard activities. Mission essential material supports approved emergency and/or war plans by:

- Destroying the enemy or his capacity to continue war.
- Providing battlefield protection of personnel.
- Communicating under war conditions.
- Detecting, locating, or maintaining surveillance over the enemy.
- Providing combat transportation and support of men and materiel.
- Supporting training functions, but retaining suitability for employment under emergency plans to meet purposes enumerated above.

Mobilization—Assembling and organizing national resources to support national objectives in time of war or other emergencies. The process by which the Armed Forces or part of them achieve a state of readiness for war or other national emergency. Includes activating all or part of the reserve components as well as assembling and organizing personnel, supplies, and materiel.

Network—A collection of highly integrated and utilized systems and subsystems for such functions as command, control, and communication or tactical warning and assessment.

New Star—: -

- Establishing major new organic capability for a depot maintenance workload, or additional organic repair sources for existing workloads.
- A transfer of a permanently postured depot maintenance workload from contract or interservice to organic accomplishment.
- A transfer of a workload between CONUS and Overseas sources of repair.
- Establishing an organic depot maintenance capability considered a major system new start when reviewed by a Defense or Air Force Systems Acquisition Review Council.

No or LowSurge Workload—A workload that does not increase in wartime relative to peacetime levels or one that increases by a small percent. Lowsurge workloads are no greater than a 30 percent increase of the peacetime level. Curtailing leave, reducing indirect labor requirements, and working overtime results in a significant excess wartime manhour capability. Employees working no or lowsurge workloads provide a source of skills that augment employees working on highsurge workloads.

Normal Maintenance Production—Schedule normal production for depot level maintenance based on an 8hour day and 5day week.

Organic Depot Maintenance—Maintenance performed by a military service under military control using governmentowned or controlled facilities, tools, test equipment, spares, repair parts, and military or government civilian personnel. In the Air Force, this is normally an Air Logistics Center.

Physical Capacity—A quantitative measure of maintenance capability, usually expressed as the amount of direct labor workhours applied within a specific industrial shop or other entity, during a 40 hour week (one shift5 days).

Preoperational Support (POS)—A contractor support method for supporting Test and Evaluation (T&E) efforts including Developing Test and Evaluation (DT&E) and Operational Test and Evaluation (OT&E). Provides all or part of the ILS elements required for the period of the T&E effort.

Required Assets Availability (RAA)—A date agreed to by the implementing and supporting organizations and operating command where sufficient equipment, personnel, and ILS resources become available to the operational command to begin a trial period to assess equipment and support capability before Initial Operational Capability (IOC).A1.16.

Secondary Skills—Additional maintenancerelated capabilities possessed by organic personnel to accomplish other types of depot maintenance outside their normal peacetime duties, gained as a result of additional training or application of common depot repair technologies.

Single Manage—A manager responsible for integrating two formerly separate concerns (systems acquisition and sustainment) into a cohesive logistics support function. The scope of the single manager's responsibility begins in developing a weapon system to meet a specified need and continues through a complete life cycle of the weapon system until its retirement. During this period, a series of activities occur, many at the same time. The single manager establishes the partnership between acquisition and sustainment inherent in the Integrated Weapon System Management (IWSM) concept.

Source of Repair (SOR)—An industrial complex (organic, commercial contract, or interservice facility) with required technical capabilities to accomplish repair, overhaul modification, or restoration of specific types of military hardware or software.

Surge—Maximizing the ability of an existing repair depot to meet increased requirements by adjusting shifts; adding equipment, spares, repair parts, and skilled people to increase the flow of repaired or manufactured materiel to the user; or adding serviceable storage.

Unique Configuration—Materiel configured for a specific mission, that other like mission design series (MDS) cannot accomplish.

Weapon System—An instrument of combat, either offensive or defensive, used to destroy, injure, defeat or threaten the enemy (for example, the F15 air superiority fighter). (**NOTE:** The Department of Defenseapproved definition for this term is found in JCS Pub 102.This definition applies to this regulation only.)

Workload Shift—Transfer of a workload between organic sources of repair.

Attachment 2

AIR FORCE ORGANIC OR CONTRACT DEPOT MAINTENANCE SOURCE OF REPAIR(SOR) DECISION LOGIC PROCESS

A2.1. Decision Tree Analysis (DTA). Air Force weapon system managers use the DTA decision logic process displayed in figure A2.1 to select an organic or contractual SOR.

A2.1.1. Annually, each supporting command computes mobilization depot maintenance requirements and the command's ability to ensure wartime accomplishment of these workloads. These analyses quantify the minimum peacetime base of facilities, equipment, and personnel required in the organic depot maintenance establishment at the outset of mobilization. The supporting command Identifies any desirable realignments of workloads between repair sources (organic and contract, organic and interservice, or organic and organic).

A2.1.2. Air Force planners use the DTA to make decisions for individual workloads that support or implement the business planned in the business board planning process. The DTA process is applicable to all new starts, conversions and workload shifts, including the establishment of major new capabilities to provide multiple repair sources. Use of the DTA ensures systematic and consistent evaluation of the same criteria and factors for different workloads during successive years.

A2.1.3. Contract depot maintenance is frequently used before an organic capability is fully developed. During the early phase of a weapon system's or item's life cycle, weapon system managers achieve savings by phasing the establishment of an organic capability while depending on interim contractor support or some other type of temporary contract support. Weapon system planners also use the DTA process to determine the permanent source of repair.

A2.2. Relationship of Military Mission Requirements and Relative Organic Versus Contract Costs:

A2.2.1. The decision logic process initially allocates work between organic and contract on the basis of military mission requirements. As a part of the minimum organic peacetime level, the workload is tentatively designated for organic accomplishment. If not required as a part of the minimum organic peacetime level, it becomes a candidate for contractual accomplishment. However, computations of relative organic versus contract life-cycle costs of accomplishment occur before the final repair source decision. If projected organic costs significantly exceed projected contractual costs, the military benefits of having an organic capability must warrant the increased costs of doing the work organically.

A2.2.2. Take the following factors into consideration to determine the type of cost assessment and amount of precision of cost data required.

A2.2.2.1. For most acquisition programs, the organic or contract repair source decision should be made during the demonstration and validation phase of the program. Among the more important sources of savings is the opportunity to identify and use standard and or existing support equipment, facilities, and software. The decision maker must judge whether the benefits of delaying the repair source decision, until more precise cost data are available, offsets opportunities to achieve program savings early in the acquisition cycle.

A2.2.2.2. The decisionmaker must weigh two considerations in determining whether these costs are necessary and justifiable:

- If there are compelling military mission reasons for selecting the organic or contract repair source, the decisionmaker ensures costs are not exorbitant, normally without a detailed or formal cost study. Where neither organic nor contract capability is dictated by military or mobilization considerations, use a more precise cost study.
- The decisionmaker, and that individual's staff, have lengthy and broad experience in assessing relative organic versus contract costs. Numerous situations produce a significant and clearly discernible cost advantage to either organic or contract over time. The instructions at paragraph 3d (this attachment) pertaining to Decision Block 4 list five situations where cost advantages from contracting are so significant that establishment of an organic capability is clearly prohibitive. The decision makers consider the costs of conducting a detailed study for these situations and apply past experience in similar circumstances to make a judgment of which alternative is cheaper and the significance of any revealed cost advantages.

A2.2.2.3. Decisionmakers use a two-phase approach to determine the need and type of cost study. In the first phase, the workload planners use known cost factors and other considerations, reviewing all circumstances pertaining to the program and determine the need for a more detailed cost study. The business planning decision maker directs the type of cost study as a second phase effort in the decision process.

A2.3. Procedures. Process workloads through the DTA as follows:

A2.3.1. Decision Block 1--Candidate For Organic Accomplishment For Military Requirements? At this step, decide whether the workload should be done organically for mission reasons. One or more of the following criteria may justify organic accomplishment for military reasons:

A2.3.1.1. Surge. Surge Workloads as previously described in paragraphs A1.38 through A1.38.3.

A2.3.1.2. Technical Competency. Organic state-of-the-art technical competency required in virtually all industrial processes to accomplish depot maintenance. Establishment of technical competency is particularly critical for new technologies, material, and processes. Technical competency is required to:

- Develop and revise detailed work specifications.
- Judge the reasonableness of contractual procedures and prices.
- Retain an organic fall-back capability if the contractor is unable or unwilling to accomplish the work. Use organic support to establish or retain necessary technical competency to ensure wartime support.

A2.3.1.3. Engineering Surveillance and Testing. Use an organic capability to perform engineering surveillance and testing for continuing, close interaction, and mutual support between the organic maintenance and engineering organizations. Workloads heavily dependent upon performance of the following engineering functions suggest organic assignment of the workload:

- Determine which work to accomplish or defer.
- Evaluating and revising rework requirements due to changes in operational support requirements or weapon system or item configuration.
- Analyzing disassembly and inspection findings.
- Evaluating reliability and maintainability characteristics.

- Assessing requirements for, as well as the scope and urgency of, modifications and configuration changes.

A2.3.1.4. Depot and User Relationship. Use an organic capability if the relationship between the operating forces and the depot requires organic support. Examples include frequent and continuing:

- Assessment of field versus depot workload requirements and responsibilities.
- Interface between and coordination of field and depot procedures, testing and system integration.
- Deployment of depot field teams to provide contingency or technical support to the user. Consider organic accomplishment where there exists a need to maintain a training and rotational base for military technical personnel. In some instances, an organic repair source may be justified because of the opportunity to collocate depot and organizational and intermediate maintenance activities with sharing facilities and equipment.

A2.3.1.5. Geographic Location. The location of the repair site affects factors such as transportation time and costs and inventory levels with their associated costs. Consider an organic capability if the geographic location of the organic source of repair provides an overriding economic or mission support advantage.

A2.3.1.6. Volume Advantages From Similar Workloads. Consider an organic capability if an organic source of repair with similar workloads provides significant economies of scale and more efficient use of support and management personnel. This criterion alone is not sufficient justification for organic accomplishment. Use this justification in conjunction with other criteria.

A2.3.1.7. Short-Term Workloads. Items being phased out of the inventory or items intended to fill a short term operational need prior to introduction of the preferred item. Use organic accomplishment if impractical or uneconomical to obtain contractual support.

Question: Is the workload a candidate for peacetime organic accomplishment for a military requirement?

(1) If yes, go to block 2.

(2) If no, go to block 17.

A2.3.2. Decision Block 2--Are Dual or Multiple Organic or Contract Repair Sources Required?

A2.3.2.1. Consider dual or multiple repair sources for depot maintenance technologies and for those items critical to the accomplishment of the primary mission of the weapon system. This redundancy provides protection against loss of peace and war capability due to industrial accident, fire, acts-of-God, sabotage, or attack. This need may be met via organic, contractor, or interservice facilities, or any combination thereof. Consider primarily the effect of the loss of a single source upon peacetime readiness and wartime mission accomplishment in choosing this option.

A2.3.2.2. Provide a complete analysis to the designated approval authority. This analysis addresses mission requirements and risks, alternatives, and the relative costs of the alternatives.

Question: Are dual or multiple organic and contract repair sources desired?

(1) If yes, go to block 3.

(2) If no, go to block 4.

A2.3.3. Decision Block 3--Is a Dual or Multiple Repair Source Justification Approved? Normally approval authority for dual or multiple repair sources is the same level as approval authority for the organic or contract source of repair decision. The narrative for Block 3 indicates appropriate action if the dual or multiple organic and contract repair sources are approved. Once the primary source is identified as contract or organic, determine the appropriate workload division and amount available for the second source. Run this through the decision process independently. Complete the remaining applicable blocks for an SOR decision if establishment of dual or multiple organic and contract repair sources is disapproved.

Question: Was establishment of dual or multiple organic and contract repair sources approved?

(1) If yes, go to block 8 and 9.

(2) If no, go to block 4.

A2.3.4. Decision Block 4--Significant Advantage To Contracting?

A2.3.4.1. Economic Advantage. A number of circumstances make it economically impractical to accomplish depot-level maintenance organically or contract support provides a significant cost advantage.

- In some instances, only a few items are procured and the same facilities, equipment, and processes used to support production can be used to support depot maintenance. Duplication would be required to establish an organic depot maintenance capability.
- Relying on the commercial spare parts pool results in a cost savings when small numbers of items are largely used and maintained by the commercial sector.
- Some items have depot maintenance processes protected by patents or proprietary rights.
- Depot maintenance workloads originating overseas may be occasionally accomplished in the overseas theater at lesser cost and/or with greater responsiveness than transporting the item to and from the CONUS repair activities. Overseas accomplishment may also reduce maintenance turnaround time and spares costs, thus increasing operational availability of the weapons system.
- In some instances, a contractor (normally the manufacturer) possesses a unique facility or specialized equipment not available within the organic industrial complex.

A2.3.4.2. Geographic Location. The location of the repair site affects factors such as transportation time, required inventory levels and associated costs. Consider contractual accomplishment if the geographic location of the contractual source of repair provides an overriding economic or mission support advantage.

A2.3.4.3. Volume Advantages From Similar Workloads. Consider a contractual capability if an existing contractual source of repair with similar workloads provides significant economies of scale. While this factor does not compel a decision on its own merits, it may add justification in conjunction with other criteria.

Question: Is there a significant advantage to contracting?

(1) If yes, go to block 5.

(2) If no, go to block 10.

A2.3.5. Decision Block 5--Is a Cost Study Required Before Contracting? Determine the need for a cost study before placing a workload on contract on a case-by-case basis.

Question: Is a cost study required before placing a workload on contract?

(1) If yes, go to block 6.

(2) If no, go to block 7.

A2.3.6. Decision Block 6--Are Contract Costs Reasonable? Results of the cost study indicate whether the contractual costs are reasonable.

Question: Is the contract cost reasonable based on the cost study?

(1) If yes, go to block 7.

(2) If no, go to block 12.

A2.3.7. Decision Block 7--Can the Contractor Support War at a Reasonable Risk? When constraints to organic work loading, including high cost, indicate a need for contractual work loading, analyze the wartime support impact. Consider the wartime contractual support risks relative to estimated cost savings. Assess the workload priority, principal cost factors. acceptable risk, and values that afford a cost advantage.

Question: Are the cost savings from contractual accomplishment sufficient to override any acceptable risk of contractual inability to expand in war?

(1) If yes, go to block 9.

(2) If no, go to block 8.

A2.3.8. Decision Block 8--Organic. Self-explanatory.

A2.3.9. Decision Block 9--Contract. Self-explanatory.

A2.3.10. Decision Block 10--Cost Study Required Before Organic? Determine the need for a cost study before assigning a workload required for wartime support to an organic SOR on a case-by-case basis.

Question: Is a cost study required before assigning a workload required for wartime support to an organic SOR?

(1) If yes, go to block 11.

(2) If no, go to block 12.

A2.3.11. Decision Block 11--Organic Cost Reasonable? The cost study will indicate whether organic costs are reasonable.

Question: Are organic costs reasonable based on the cost study?

(1) If yes, go to block 12.

(2) If no, go to block 9.

A2.3.12. Decision Block 12--Sufficient Peacetime Organic Manpower Available? Sufficient manpower to provide the capability to accomplish the organic workload requirements is necessary. Manpower capability includes consideration of permanent employees, temporaries, overtime, and

increased productivity. (Excessive use of overtime in peace degrades the organic wartime expansion capability.)

Question: Is there sufficient organic manpower available?

(1) If yes, go to block 16.

(2) In no, go to block 13.

A2.3.13. Decision Block 13--Additional Manpower Provided? If the current manpower authorizations (plus use of temporaries and overtime) do not provide sufficient capability, request additional manpower spaces.

Question: Have the additional manpower spaces been provided?

(1) If yes, go to block 16.

(2) If no, go to block 14.

A2.3.14. Decision Block 14--Workload Priority Too Low? Compute Logistics Support Priorities based on the Force Activity Designators (AFI 16-301) and the programmed mission activity of the weapon system. Compare the priority of the proposed workload with the priorities of workloads presently accomplished organically. If the priority of the proposed workload is lower than the priorities of the existing workloads, assign the proposed workload to a contractor. If the priority of the proposed workload is higher than the priority of one or more existing workloads, displace lower priority workloads to a contractor.

Question: Is the priority of the proposed workload too low for organic support?

(1) If yes, go to block 9.

(2) If no, go to block 15.

A2.3.15. Decision Block 15--Displace Lower Priority Work to Contract? This block clarifies the logic process and is self-explanatory.

A2.3.16. Decision Block 16--Organic. Self-explanatory.

A2.3.17. Decision Block 17--Cost Study Required Before Contracting? Determine the need for a cost study before contracting a workload on a case-by-case basis.

Question: Is a cost study required before placing a workload on contract?

(1) If yes, go to block 18.

(2) If no, go to block 20.

A2.3.18. Decision Block 18--Contract Cost Reasonable? The cost study will indicate whether the contractual costs are reasonable.

Question: Is the contract cost reasonable based on the cost study?

(1) If yes, go to block 20.

(2) If no, go to block 19.

A2.3.19. Decision Block 19--Work Needed for Industry Production Base? Consider assignment of the workload to a contractual SOR to maintain or improve the industrial base for production of end

items, spare assemblies, subassemblies, and spare parts. Determine whether protection of the production base is worth the additional costs.

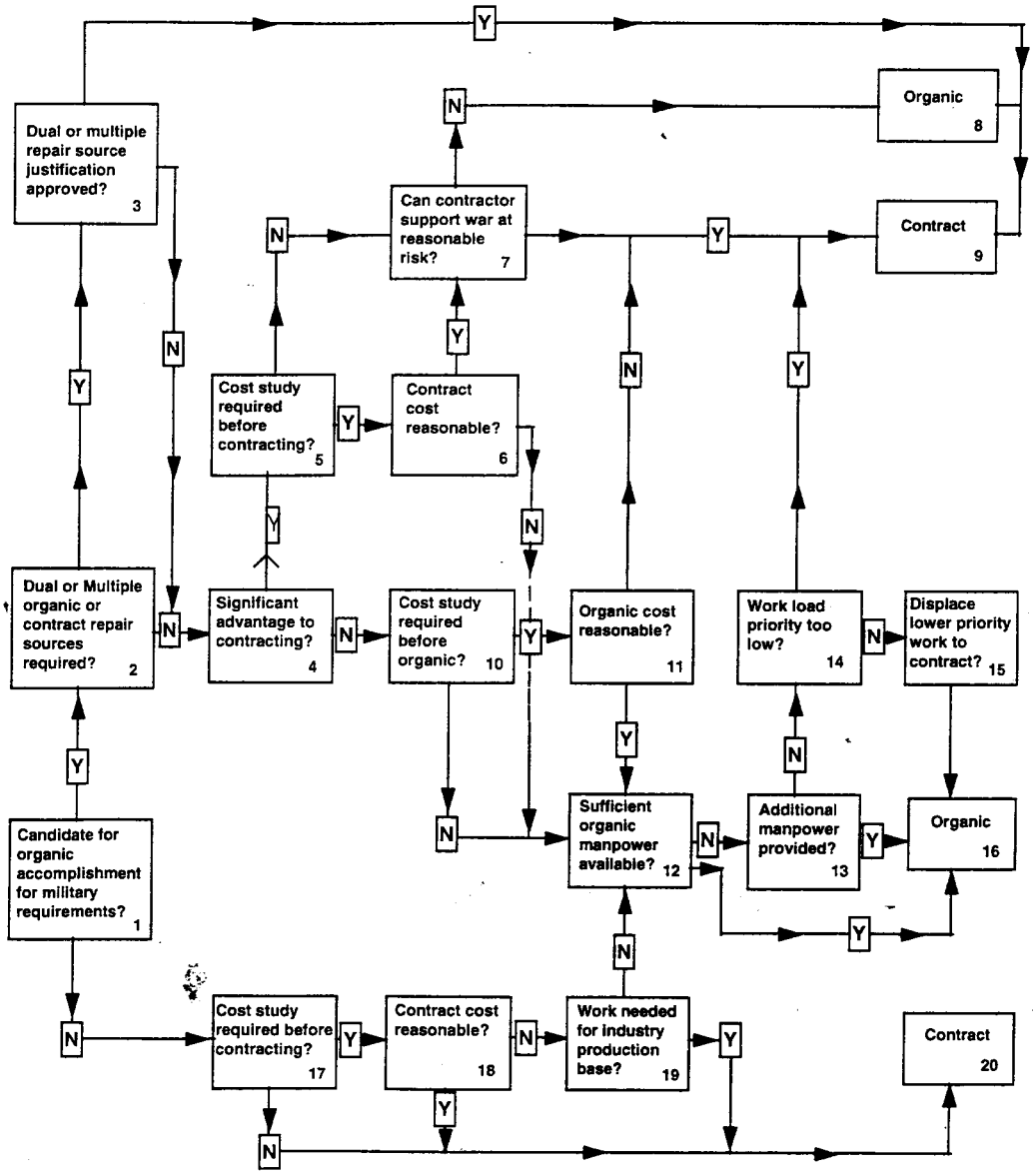
Question: Is the workload needed by a contractual SOR to maintain a critical industrial production base?

(1) If yes, go to block 20.

(2) If no, go to block 12.

A2.3.20. Decision Block 20--Contract. Self-explanatory.

Figure A2.1. DTA Process.



Attachment 3

THE BUSINESS PLANNING PROCESS

A3.1. Annual Review:

A3.1.1. Annually, each ALC will compute mobilization depot maintenance requirements and the command's ability to ensure wartime accomplishment of these workloads. These analyses quantify the minimum peacetime base of facilities, equipment, and personnel required in the organic depot maintenance establishment at the outset of mobilization. During this review, identify any repair sources at this time and structure the review to provide visibility of organic, contract, interservice and intra-command alternatives. The level of weapon system indenture varies depending on the alternative under discussion. Major topics covered in the review are outlined in figure A3.1. (RCS: HAF-LGM[A]8501, *Annual Corporate Business Plan ,* applies.)

A3.1.2. This annual review, coupled with SAF/AQ approval, constitutes authority for in-house utilization of DoD commercial activities (CA) to perform depot maintenance needed in support of national defense objectives.

Figure A3.1. Annual Activity Review Business Plan.

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- Planning Guidance and Source Data
- Wartime Planning Assumptions Objectives
- Depot Maintenance Business Planning Process and Criteria
- Wartime Workload Requirements (Computational Methodology)
- Current Depot Maintenance Business (Organic, Interservice, and Contract)
- Current Depot Maintenance Business Limitations (Surge and Minimum Level Analyses)
- Long-Range Objectives:
- Imbalances and Corrective Actions.
- Workload Changes Planned and or Projected.
- Ongoing Studies.
- Workloads Expected to Decline or Phase Out.
- Future Technologies Expected or Desired.
- Desired Changes in Workload Mix and or Man-hour Capability by Year.
- Manpower Requirements.
- Issues, Problem Areas, Limiting Factors.
- Air Staff and SAF/AQ Activity Review Approval.

NOTE:

There is no prescribed format for the activity review. Supporting commands develop formats and structure their presentations to suit their particular missions and circumstances.

A3.2. Decision Tree Process and New Starts:

A3.2.1. The objective during the operating year following the annual review is to retain or improve upon the proper organic, contract, interservice, and internal command workload alignment. The AFMC BB accomplishes this by:

A3.2.1.1. Careful review of each new individual workload and the cumulative effects of assigning new workloads to sources of repair.

A3.2.1.2. Continuing review of replanning alternatives.

A3.2.2. Using the DTA process in attachment 2 to make decisions about individual workloads that implement or promote business planning. The DTA process is applicable to all new starts, modifications, conversions, and workload shifts, including the establishment of major new capabilities to provide multiple repair sources. The DTA process ensures systematic and consistent evaluation of different workloads.

A3.2.3. DoD Instruction 4100.33 delegates approval authority for organic performance of new requirements, involving capital investments of $500,000, to the Deputy Assistant Secretary level or equivalent. The Air Force Depot Maintenance DTA process, approved by SAF/AQ, provides a surrogate for individual review by the Assistant Secretary. The AFMC Commander will make major weapon system and equipment workload new start decisions utilizing the DTA process.

A3.2.3.1. SAF/AQ infrequently but formally tasks AFMC/CC, through HQ USAF/LG, to send specific new start packages to the Secretariat for final approval. In those instances, AFMC takes no action to execute the decision until it ratified by the Secretariat.

A3.2.3.2. A new start request consists of the package outlined in figure A3.2. AFMC submits major weapon system workload new starts within 120 days after the beginning of full-scale development. Workload planners use reasonable estimates and projections to support the new start while awaiting firm data. Early submission allows adequate programming lead time for the purchase of depot support resources and depot activation planning.

A3.2.3.3. AFMC submits major weapon system new start packages for approval upon completion. New start packages have no immediate link with the BPP process, although a new start is approved before any capital investment expenditures.

A3.2.3.4. Each major weapon system new start includes an analysis as necessary to assess the effectiveness of alternative maintenance support concepts, including interim arrangements.

A3.2.3.5. Use an abbreviated version of the DTA process to determine the organic or contract SOR for new starts (other than those pertaining to major systems), conversions, permanent contract decisions for new systems, and workload shifts.

Figure A3.2 New Start Page.

Depot Maintenance Source of Repair Summary:

- Workload Description and Magnitudes.
- Recommended Sources of Repair.
- Capital Investment Requirement and or Major Cost Factors.

- Timing and Milestones.
- Interim Support Concepts.
- Prospects for Interservicing (candidate; other Service buys).
- Why the Workload Warrants Organic Accomplishment.
- Supporting Command/CC and SAF/AQ Approval Blocks, as applicable.
- Decision Tree Documentation.
- Work Picture (Repeat applicable portions of the decision logic, answer each applicable question, and provide rationale why the workload meets the particular decision criteria).
- Highlighted Tree Diagram.
- Surge Analysis (present source of repair surge capability).
- Workload Projections and Required Replanning.

NOTE:

An abbreviated version of the decision logic provides a brief rationale for the answer, without repeating the underlying logic. An abbreviated package does not need to be fully self-explanatory, while a full new start package stands alone.

Attachment 4

SUPPORTING ORGANIZATION REQUIRED INFORMATION AND REPORTS

A4.1. General Information. The supporting organization submits the following information and reports required by this instruction. Submit all reports and information required by this regulation to HQ USAF/LGM for review and approval and forwarding to SAF/AQ for final review and approval.

- New start packages, as required (RCS: HAF-LGM[AR]8503 applies).
- Annual Corporate Business Plan (RCS: HAF-LGM[A]8501 applies). This report will include an annual update of the depot maintenance decision logic process utilized in making source of repair decisions.

A4.2. New Start Packages. AFMC submits depot maintenance new start packages as follows: (New start packages follow the general format shown in attachment 3. Provide an approval sheet providing for AFMC, HQ USAF and SAF/AQ signature approval). (RCS: HAF-LGM[AR] 8503 applies). Submit packages completed and reviewed through the business planning process and specifically requested by SAF/AQ to HQ USAF/LGM within 30 days of the request. If the SAF/AQ selection is an in-process new start, submit 15 days after completion. HQ USAF/LGM provides an interim response, within 15 days of the request, for any requested package not completed and submitted within 60 days of the request. This report is designated emergency status code "D". Immediately discontinue reporting data requirements during emergency conditions. Discontinue reporting during minimize.

A4.3. Annual Corporate Business Plan. As directed in paragraph 2.1.2 supporting commands develop a formal plan to define, document, and report on its structured business planning efforts. Update this plan annually and prepare for briefing to SAF/AQ prior to 31 May (RCS: HAF-LGM[A] 8501 applies). Include a report supporting the annual activity review outlined in attachment 3. This report is designated emergency status code "D". Immediately discontinue reporting data requirements during emergency conditions. Discontinue reporting during minimize.

A4.4. Annual Update of the Depot Maintenance Decision Logic Process. On an annual basis, Air Force Materiel Command (AFMC) updates the document describing the Depot Maintenance Decision Tree process. The document includes the current examples of how the tree is applied to new starts. Submit this document as part of the Annual Corporate Business Plan (RCS: HAF-LGM[A] 8501 applies). Other supporting commands use the approved document as a guide.